

**OFFICE OF SCIENCE  
PACIFIC NORTHWEST SITE OFFICE**

**FISCAL YEAR 2007  
ANNUAL PERFORMANCE PLAN**

September 2006



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## Preface

The Pacific Northwest Site Office (PNSO) Annual Performance Plan (APP) is the blueprint for evaluating PNSO's performance during Fiscal Year 2007. The key elements of this plan address the President's Management Agenda, DOE's Management Challenges, the OneSC reorganization, and DOE and SC Strategic Plans respectively. PNSO will use the APP to effectively and efficiently manage Site Office performance and also use the document as the principal planning and communications tool to establish and track Site Office goals.

The APP is based on sound performance management principles that have been maturing at PNSO for more than five years. These principles provide the approach and the method PNSO will use to track metrics and to assign accountability within the Site Office staff. The "Improvement Initiatives" appendix addresses emerging issues, as well as Departmental thrusts.

Recent developments such as the creation of the Under Secretary for Science, the American Competitiveness Initiative, and the President's Management Agenda clearly demonstrate the President's desire to improve federal government and achieve measurable results, especially in the area of science.

The PNSO APP is designed to fulfill our obligation to achieve at the highest level and be the "Gold Standard" in performance of our duties.



Paul W. Kruger, Manager  
Pacific Northwest Site Office

8/31/06  
Date

## 1.0 Office Mission

Hyperlink to PNSO's OneSC Mission and Function Statement (also included in [Appendix G](#)): [http://www.screstruct.doe.gov/implementation/pdfs/Pacific\\_Northwest\\_9-9-2004.pdf](http://www.screstruct.doe.gov/implementation/pdfs/Pacific_Northwest_9-9-2004.pdf)

## 2.0 Office Priorities/Goals/Objectives/Measures

[PNSO](#) has maintained a performance-based management plan for the past five years that has provided for measurement of organizational goals, objectives and measures. The structure revolves around a balanced scorecard approach. The content has matured over time with the assistance of independent performance management expertise. PNSO refined its own process by redefining the goals and objectives based on major risk areas for the Site Office. Using this approach has allowed management within PNSO to focus on major risk areas and actively manage and adjust resources related to mitigating those risks. PNSO utilizes the Pviews Balanced Scorecard™ Software as the tool to track performance and conducts a program review meeting to evaluate performance on a monthly basis.

The entire matrix of goals, objectives, and measures is graphically portrayed in [Appendix A](#). Measures are listed in detail in [Appendix B](#). Additionally, PNSO's goals and objectives are crosswalked to the [President's Management Agenda](#), DOE Challenges, implementation of [OneSC](#), and DOE/SC Strategic Plans in [Appendix C](#).

### 2.1 Goals and Objectives

The PNSO performance management structure includes three key goals to ensure success in meeting its mission and vision. The objectives below each goal were developed by direct participation by all PNSO staff and management following well-known and time-tested performance management principles such as the “balanced scorecard” concepts and the “Balridge” scoring system. The APP creates a clear link between the measures and SC expectations and provides a systematic and efficient way of tracking performance against the objectives. The measures under each objective are fully described in [Appendix B](#).

#### ***Goal 1. Improve Contract and Contract Management***

This defines PNSO's role as Federal contract administrators. One of the main objectives is to ensure that the [PNNL contract](#) is administered to foster safe, secure, environmentally sound and fiscally responsible operations, while achieving the PNNL mission.

***Objective 1. [Ensure Sound ES&H and Security](#)*** – Mitigates the risk of fatalities, serious injuries, serious security breaches, or notable environmental events that could result in laboratory activities being shutdown.

**Objective 2.** [Ensure Fiscal Responsibility](#) – Monitors the contractor’s financial performance in several key areas such as audit performance, contract compliance, cost control, and corrective actions.

**Objective 3.** [Ensure an Accurate, Complete and Functioning Contract](#) – Demonstrates how PNSO actively manages the PNNL contract, communicates contract changes, and assesses the contractor’s acquisition management system.

**Goal 2. *Increase PNNL National Value***

As the responsible Site Office for overseeing the [PNNL contract](#) and enabling the success of the [Laboratory](#), PNSO plays a vital role in enabling an increase in the Laboratory’s capabilities and value both regionally and nationally. The relationships developed between PNSO and SC, as well as other DOE and Federal offices, better enable PNSO to affect greater degrees of positive PNNL recognition and increased PNNL value.

**Objective 4.** [Quality of Science Recognized Externally](#) – Developed to assess how PNNL’s quality of science is perceived externally in order to ensure that PNNL is recognized as a “Gold Standard” national asset within the DOE lab community and scientific community as a whole.

**Objective 5.** [Capability Stewardship](#) – Ensures the capabilities required to carry out the PNNL missions as defined by DOE are available. These capabilities are defined in terms of what makes up a capability (facilities, equipment, people), the management of [EMSL](#) as a user facility and a look at the project mix that utilizes these capabilities. Stewardship of a capability includes the growth, stability, or divestiture of those components that contribute to a capability constantly keeping the current and future missions of PNNL in mind.

**Goal 3. *Achieve the Vision and Intent of One SC Goals***

Having a top quality organization entails having “good people” who perform quality work that is relevant to the DOE Mission. This is best achieved when everyone has a global understanding of the organizational mission, vision, and value system and is equipped to execute and embody those elements in the execution of their assigned responsibilities. This strategic goal aligns those

elements that ensure PNSO's ability to effectively perform its mission and foster open and regular dialogue between PNSO management and staff, as well as within SC.

**Objective 6.** ***"Do Right" by PNSO Staff*** – Ensures that: 1) staff are provided an opportunity to provide input to influence their work environment; 2) top-quality staff are retained; 3) a positive work environment is maintained; and 4) accomplishment of Site Office goals will help PNSO achieve its vision of being a benchmark Site Office.

**Objective 7.** ***PNSO Viewed as Credible and Competent*** – Ensures that PNSO consistently demonstrates high-quality customer service through timely and accurate responses.

## **2.2 Measures**

[See Appendix B.](#)

### 3.0 Resource Requirements

PNSO directly manages a Program Direction budget (with Integrated Service Center support) which funds federal employee salaries and other expenses for the site office. Projected new budget authority for [PNSO Program Direction in FY 2007](#) is \$5.553M (per FY07 President's Budget Request).

Resource	Actual FY 2006	Projected FY 2007	Comments
Federal FTEs	35.4	35.6	Includes one part-time employee. Does not reflect two additional FTEs discussed in Human Capital section. Actual FY06 FTE count slightly lower due to lag-time in backfilling secretary position.
Support Service FTEs	2.0	2.0	IT and Correspondence support
Salaries, Benefits, Awards	\$4,345	\$4,497	New Performance Management System expected to increase awards costs beginning in FY06.
Travel	\$93	\$95	Travel costs are increasing (additional explanation below).
Training	\$64	\$65	
Support Services	\$69	\$70	Correspondence support
Other Contractual Services	\$867	\$826	Office space accounts for nearly half of annual costs
<b>Total Funding Required (BA)</b>	<b>\$5,438</b>	<b>\$5,553</b>	

PNSO's Program Direction cost profile is consistent with other SC site offices. Federal salaries and benefits typically account for approximately 85% of PNSO's Program Direction costs. Increases in salaries costs across fiscal years are primarily due to Congressionally-mandated, government-wide annual federal salary increases and, to a lesser extent, scheduled within-grade increases. However, the increase in FY 2006 may be higher than usual due to a projected increase in performance awards per the new DOE Non-Supervisory Employee Performance Management System.

PNSO will continue to rely heavily upon the ISC for support associated with [contract competition](#) for the management and operation of the PNNL. This support is over and above normal, ongoing ISC support.

The second largest cost driver is office space for the site office staff. PNSO is unique in that it occupies contractor-leased space due to the lack of readily available Federally-owned or -leased space within reasonable proximity to the [PNNL campus](#). In FY 2005, office space costs accounted for approximately 6% of PNSO's total Program Direction costs and approximately 48% of Other Contractual Services costs. However, PNSO was recently successful in reducing annual office space costs by nearly \$50K/year (approximately 17%) beginning in FY 2007 while at the same time increasing the overall square footage occupied by the Site Office. PNSO staff moved from the National Security Building (NSB) to the Environmental Technology Building

(ETB) during the 1st quarter of FY 2006. The move was required to free up space within the NSB needed to meet current and expected contractor growth for higher security level space. PNSO now occupies 6,117 square feet of the ETB, which is centrally located on the [PNNL campus](#). This space meets PNSO needs in terms of proximity to laboratory operations, staff needs, and a pleasant work environment.

Although PNSO travel costs represent only 2% of total costs, PNSO's "cost per trip" tends to be more expensive relative to other DOE installations primarily due to PNSO's geographic location and lack of a major airport. Furthermore, the rate of the cost increase in travel is outpacing "normal" escalation due to rising fuel costs as well as local factors (e.g., reduced flights and reduced competition).

In information technology (IT), PNSO continues to support the changing technology and communications needs of the staff. A "refresh" of staff desktop computer systems was completed during FY 2006 to ensure suitable hardware and software is available to support the PNSO mission. Excellent planning by PNSO and Oak Ridge IT support staff and coordination with PNNL resulted in minimal disruption and down time to PNSO staff during the office moves from the NSB to the ETB. Other hardware upgrades to the PNSO network were also completed during FY 2006 to increase connectivity speeds of PNSO desktops to OR and PNNL resources and to increase the ability to monitor, track, and resolve network issues when they occur. PNSO "refreshed" its network server during FY 2006. The original server was quickly reaching capacity and the maintenance on it would have expired on April 5, 2007. Although no major IT upgrades are currently planned for FY07, PNSO will continue to track changing technologies and communication advancements to determine the need or and efficiencies to be gained from such advancements.



## 4.0 Human Capital

Current and Projected PNSO federal FTE requirements (FY 2006 - FY 2012):

Site Office Functions	Actual FY 2006 FTEs	Projected FY 2007-8 FTEs	Projected FY 2010-12 FTEs	Comments
1. Management Team	7	7	7	
2. Business and Contracts	7	7	7	Additional FTE being requested for WFO Support
3. Programs and Projects	13	14	14	
4. ES&H	9	10	10	Additional FTE being requested for Nuclear Safety Specialist
<b>TOTAL</b>	<b>36</b>	<b>38</b>	<b>38</b>	

The current PNSO organization chart is provided in [Appendix D. Objective 6.0 “Do Right’ by PNSO Staff”](#) contains a set of Human Capital-related measures. Also, PNSO has also initiated an “Improvement Initiative” related to Human Capital (see [Appendix E](#)).

The PNSO organization is comprised of the Office of the Manager and two Divisions, the Programs Division and the Operations Division. The Office of the Manager includes the Manager, Deputy Manager, Senior Program Advisor, Program Analyst, the Contracting Officer, Program Assistant, Public Affairs Officer and the Capability Replacement Laboratory (CRL) Project Office which consists of an acting Project Manager (being filled by the Deputy Manager), a Project Director and an Alternative Financing Project Director.

The Programs Division (PD) is comprised of two teams, the Science and Technology Programs Team and the Contracts and Business Management Team. The Science and Technology Programs Team in partnership with the applicable DOE-HQ program organizations, provides performance oversight regarding the administration of the research and development programs within the [Laboratory](#). This team interfaces with numerous DOE and DHS organizations supporting all mission areas of the Department. The Science and Technology Programs Team is also responsible for oversight and administration of the [Laboratory Work for Others program](#), Laboratory Directed Research and Development program, as well as ensuring the appropriate integration of safety management throughout all programs/projects. The Contracts and Business Management Team in partnership with the applicable DOE-HQ and Integrated Service Center (ISC) administrative organizations is responsible for the oversight of all the business management activities/organizations within the Laboratory. The Contracts and Business Management Team is also responsible for the oversight of real and personnel property.

The Operations Division (OD) is responsible for the administration and performance oversight of operations and environment, safety and health programs. Two Facility Representatives are part of this division. The OD is also responsible for the administration and performance oversight of

facility management (operations and maintenance), quality, safeguards and security, and emergency preparedness programs for the [Laboratory](#). These functions are carried out, in partnership with the applicable DOE-HQ and ISC organizations, as well as the appropriate RL organizations as called for within a MOA with the Richland Operations Office (RL) for the operation of Laboratory facilities on the Hanford Site.

One of the complexities associated with PNSO's workload is the [Use Permit](#) which allows Battelle to utilize government facilities and equipment for private commercial work. The Use Permit drives considerable additional requirements for business system accountability and oversight. PNSO reviews all 1831 projects to further ensure that the work scope and use of equipment and space is appropriate. These proposals provide a short statement of the work to be performed and for what sponsor; anticipated use of the major Government-owned equipment and facilities and Battelle-owned Consolidated Laboratory facilities.

Another complexity that PNSO manages is the Consolidated Laboratory. Since its inception in 1965, PNNL has utilized innovative methods to provide research infrastructure. The original competitive bid process established a "consolidated laboratory" concept comprised of excess Hanford defense production facilities, and private facilities constructed/leased by the contractor. This approach included the ability for the contractor to conduct both private and federal research within the PNNL infrastructure. The facilities have differing regulatory drivers depending upon the location and the ownership which complicates DOE oversight.

PNSO has established a staffing objective for the organization to manage to the number of people required for an effective, owner-driven, and safety conscious organization. However, PNSO continues to experience a growing work load. The Capability Replacement Laboratory (CRL) project and the [contract competition](#) for the management and operation of the PNNL are examples of key activities that require a concentrated effort for specified durations. PNSO has made temporary personnel assignments to address these items; however, "normal" day-to-day work (e.g., contract oversight, internal operations, etc.) must continue despite the additional workload of these special efforts. Furthermore, PNSO has been requested to provide staff for important SC-wide efforts (e.g., contractor evaluation plan development, Berkeley Site Office safety assessment, etc.).

As noted in the table above, PNSO is in the process of requesting two additional positions to address critical skills-mix gaps as well as to improve our succession planning posture. The first position is for a Nuclear Safety Specialist. PNSO does not currently have any staff who meet the specialized qualification standards of a Nuclear Safety Specialist. This critical need is based on anticipation of either construction of a new Category III nuclear facility for which PNSO would be responsible, or transfer of responsibility to PNSO of an existing Category II nuclear facility which is currently the responsibility, or under the purview, of the Richland Operations Office (RL). One of these two scenarios occurring is imminent. Without a Nuclear Safety Specialist on the PNSO staff, PNSO will not be able to assure adequate implementation of the [10 CFR 830](#), Nuclear Safety requirements, resulting in operational delays and potential shutdown. In addition to the Nuclear Safety Specialist, other qualified resources either within the Site Office or within the Integrated Service Center will be required to establish the infrastructure necessary for nuclear safety oversight, review and approval.

The second position is needed to support Work for Others (WFO) and other reimbursable projects. Within the last three years, there has been a steady and marked increase in the volume of actions processed in support of WFO (including work for the Department of Homeland Security). This trend is projected to continue. Without the support of an additional FTE for the WFO program, PNSO will be in a detrimental position to support the growth needs of the program and jeopardize the record of excellence which has been established within the program.

PNSO has developed a succession plan that captures the key elements associated with the Human Capital Initiative established through the [President's Management Agenda](#). The PNSO Succession Plan was developed consistent with the [OPM Human Capital Strategy](#) and the current “best practices” identified as federal agencies are implementing the initiative tenants. This approach provides the strategy necessary for PNSO to proactively meet organizational needs and long-range commitments. Implementing this plan will provide for the continuity of leadership, required DOE skills, strengthening diversity/flexibility and a framework to manage organizational changes through time. From the staffing analysis, the demographics of the PNSO workforce indicate that approximately 33% of the workforce will qualify for normal retirement during the period from CY 2006 through 2011.

While this plan represents a starting point for PNSO succession planning, it has already highlighted areas where strategies, planning and actions will need further development to address gaps in PNSO’s ability to sustain mission capabilities. Evolution of the PNSO succession plan will continue alignment with the Human Capital Initiative “critical success factors” as the base framework. Understanding this framework is important because it is the diversity and adaptability of approaches as a whole, rather than individual techniques that are the key to success in planning and meeting human capital challenges.

## 5.0 Integrated Assessment Schedule/Plan

The table below is PNSO's FY 2007 Integrated Evaluation Plan (IEP) as of August 14, 2006. Per the APP guidance, this plan will be uploaded into (and maintained in) the [SMART system](#). The IEP was established to provide the PNSO a tool for integrated planning of oversight assessments, reviews, and or visits to the Pacific Northwest National Laboratory by outside agencies (state and federal), other government entities, and the Department of Energy (both local and headquarters). The IEP is consistent with and supports the requirements of [DOE Order 226.1](#) which provides direction for implementing the Policy.

### PNSO Integrated Evaluation Plan - FY07 Assessments / Surveillances of BMI (8/14/06)

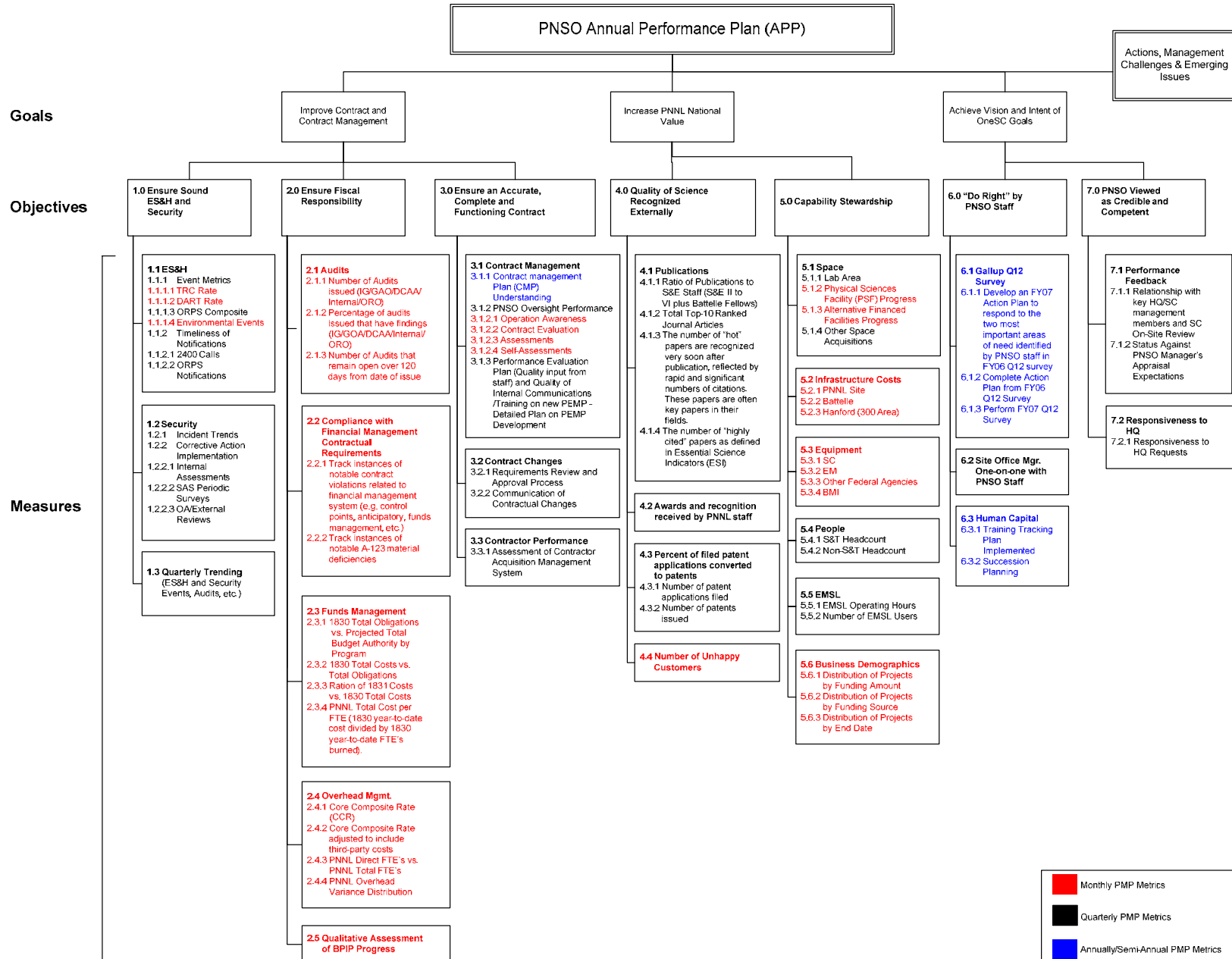
	Type of Oversight	Lead/Point of Contact	Scheduled Date	Document Source	Meas. Basis
<b>1.0</b>	<b>Operational Awareness Activities</b>				
<b>1.1</b>	<b>Programmatic Oversight (Includes...)</b>				
1.1.1	Fundamental Science	Williams	Monthly	Capture Tool	all
1.1.2	Environmental Technology	Biancosino	Monthly	Capture Tool	all
1.1.3	Energy Sciences and Technology	Edwards	Monthly	Capture Tool	all
1.1.4	National Security	Mamiya/McLeod	Monthly	Capture Tool	all
1.1.5	Environmental Molecular Sciences Laboratory	Day	Monthly	Capture Tool	all
1.1.6	Computational and Information Sciences	Day	Monthly	Capture Tool	all
<b>1.2</b>	<b>Management System Oversight (Includes ROD reviews, self-assessment validation, corrective action reviews, etc.)</b>				
1.2.1	Acquisition Management	Kilbury	Monthly	Capture Tool	all
1.2.2	Communications	Talbot	Monthly	Capture Tool	all
1.2.3	Environmental	Aldridge	Monthly	Capture Tool	all
1.2.4	Emergency Preparedness (Safeguards, Security, and EP)	Collantes	Monthly	Capture Tool	all
1.2.5	Facility Operations & Maintenance	Escamillo	Monthly	Capture Tool	all
1.2.6	Facility Safety	Escamillo	Monthly	Capture Tool	all
1.2.7	Financial Management	Mendez	Monthly	Capture Tool	all
1.2.8	Human Resource	Fletcher	Monthly	Capture Tool	all
1.2.9	Information Resources	Angulo	Monthly	Capture Tool	all
1.2.10	Integrated Planning and Assessment	Swafford-Bennett	Monthly	Capture Tool	all
1.2.11	Integrated Environment, Safety and Health (ES&H)	Pietrok	Monthly	Capture Tool	all
1.2.12	Project Management	Biancosino	Monthly	Capture Tool	all
1.2.13	Quality	Swafford-Bennett	Monthly	Capture Tool	all
1.2.14	Radiological Control	Briggs	Monthly	Capture Tool	all
1.2.15	Records	Moody	Monthly	Capture Tool	all
1.2.16	Safeguards, Security and Emergency Preparedness	Suess	Monthly	Capture Tool	all
1.2.17	Scientific and Technical Information	Moody	Monthly	Capture Tool	all
1.2.18	Standards-Based Management System (SBMS)	Collantes	Monthly	Capture Tool	all
1.2.19	Technology Commercialization	Moody	Monthly	Capture Tool	all

1.2.20	Training and Qualification	Escamillo	Monthly	Capture Tool	all
1.2.21	Science and Engineering Education	Williams	Monthly	Capture Tool	all
1.2.22	Worker Safety and Health	Briggs	Monthly	Capture Tool	all
	Legal ( Not a Management System)	Angulo	Monthly	Capture Tool	all
<b>1.3</b>	<b>Facility Representative Oversight</b>				
	<b>Informal Oversight</b>				
1.3.1	Routine Oversight as identified in FR Master Oversight Plans (e.g. Attend PODs, POWs, pre-jobs, critiques, event follow-up, walkthroughs, etc.)	Higgins Carlson	Daily, Weekly, Monthly, Quarterly , Annual, As occur	More significant issues in FR Weekly Reports	
	<b>Formal Oversight</b>				
1.3.2	RPS 11.2 Radiological Work Control Practices	Carlson (RPL/Private)	1Q	Surveillance	
1.3.3	OPS 9.16 Procedure Content and Use	Carlson (RPL)	2Q	Surveillance	
1.3.4	OPS 9.9 Lockouts and Tagouts	Carlson (RPL)	3Q	Surveillance	
1.3.5	ISMS/Feedback and Improvement	Carlson(RPL)	4Q	Surveillance	
1.3.6	ERS 14.1 Satellite Accumulation Area	Higgins	1Q	Surveillance	
1.3.7	MAS 10.1 Maintenance Activities	Higgins	2Q	Surveillance	
1.3.8	OPS 9.9 Lockouts and Tagouts	Higgins	3Q	Surveillance	
1.3.9	OSS 19.10 Barriers and Postings	Higgins	4Q	Surveillance	
<b>1.4</b>	<b>Project Oversight</b>				
	Quarterly Project Performance Review	PNSO	Quarterly	Capture Tool	Dec, Mar, Jun, Sep
<b>2.0</b>	<b>Evaluation of Contractor Performance</b>				
<b>2.1</b>	Performance Evaluation and Measurement Plan (PEMP) Evaluations – Quarterly	PNSO	Quarterly	Capture Tool	Dec, Mar, Jun, Sep
<b>2.2</b>	Contract Evaluation	PNSO/Davis	Annual	Formal Report	Dec
<b>3.0</b>	<b>Assessments of Facilities Operations and Programs</b>				
	Annual LDRD certification	OR/Mendez	1Q	No Official Rpt	Nov
	SAS Inspections Barson Composites (Hitemco)	DOE-HQ	1Q	Formal Report	October
	Lehman Review	DOE-HQ	1Q	Formal Report	
	Pre-CD-3 Lehman Review	DOE-HQ	1Q	Formal Report	
	Review PNSO Program Direction	CFO	1Q	Formal Report	Dec
	Annual QAPD Review and Update	Swafford-Bennett	1Q	Formal Report	
	Contractor Assurance Program Assessment	Swafford-Bennett/Davis	2Q	Formal Report	Feb
	Software QA Corrective Action Validation Assessment	Angulo	2Q	Formal Report	
	SAS Inspections/ Albuquerque Polygraph Test Center	CH/PNSO	2Q	Formal Report	March
	SAS Inspections PNNL Seattle	PNSO	2Q	Formal Report	March
	EVMS OECM/DCMA Compliance Review	DOE-HQ	2Q	Formal Report	
	Record of Decision Review	Collantes	3Q	Formal Report	

	Management Systems Annual Self Assessment	Swafford-Bennett	3Q	Formal Report	
	R&D Directorate Review Committee Reviews (5)	DRC-PNSO	2Q/3Q	Formal Report	Jun
	Internal assessment for ISO-14001:2004 Registration to PNNL	ISO/Aldridge	3Q	Formal Report	June
	External assessment for evaluation of PNNL application to EPA for continued Performance Track Membership	EPA/Aldridge	3Q	Formal Report	June
	Annual external Regulator (Department of Health) inspection of PNNL major stacks (325, 331) (date set by DOH)	DOH/Aldridge	3Q	Formal Report	June
	Efficiency of PNNL Start Clean Stay Clean Mgt. Plan measures	(Aldrige/Moody)	3Q	Formal Report	
	SAS Inspections PNNL	CH/PNSO	3Q	Formal Report	May
	Annual ISM Description Review and Update	Pietrok	4Q	Formal Report	
	ISM System Self Assessment and Declaration	Pietrok	4Q	Formal Report	
	Annual 325 SAR/SER Update	Escamillo	4Q	Formal Report	Sep
	CAS Compliance Audits	DCAA/Mendez	4Q	Formal Report	September
	Financial Statement Audit	OIG/Mendez	4Q	Formal Report	Sep
	Review of Statement of Costs Incurred and Claimed for FY05&FY06	OIG/Mendez	Bi-Annual	Formal Report	Sep
	Financial Management Reviews	OR/Mendez	4Q	Formal Report	Sep
	SAS Inspections PNNL Sequim MRO	CH	4Q	Formal Report	August
	EVMS Surveillance at the end of each FY (September)-FY11	DOE-HQ	4Q	Formal Report	
	Small Business Subcontracting	GAO		Formal Report	
	Corrective Action Validation (EMSD Procedures)	Aldridge			
	DCAA Audits	DCAA/Mendez	Quarterly	Formal Report	Dec, Mar, Jun, Sep
<b>5.0</b>	<b>Self Assessments</b>				
5.1	Q-12	PNSO	3Q	Formal Report	Jun
5.2	Site Office Annual Assessment Report	PNSO	4Q	Formal Report	Sep
<b>6.0</b>	<b>Out Year Assessments (FY08- )</b>				
	SAS Inspections Hohman Plating & Manufacturing	CH	1Q/FY08	Formal Report	October
	CD-3 External Independent Review	DOE-HQ	1QFY08	Formal Report	
	Annual Financial Management Systems Review	FM	FY08	Formal Report	
	Review Cost Transfers	FM	FY08	Formal Report	
	Review of Funds Control Process	FM	FY08	Formal Report	
	Review of Statement of Cost Incurred and Claimed	OIG	FY08	Formal Report	
	Financial Statement Audit	OIG	FY08	Formal Report	
	CAS Compliance Audits	DCAA	FY08	Formal Report	
	Full ISM Independent Verification by SP-40	SP-40	FY08	Formal Report	
	EVMS Surveillance at the end of each FY (September)-FY11	DOE-HQ	4QFY07-11	Formal Report	
	External limited assessment (1/3 of elements assessed) for ISO-14001:2004 to PNWD (October)	ISO	1QFY08	Formal Report	
	EPA Performance Track Commitments for 2007 (April Report)	EPA	3QFY08/09	Formal Report	
	Annual external Regulator (Department of Health) inspection of PNNL major stacks (325, 331) (date set by DOH)	DOH	TBD	Formal Report	

	Assess implementation of NEPA through EPR process	PNSO-Aldridge	2QFY08/09	Formal Report	
	Assess the efficient of the development of inventories related to the Unneeded Materials and Chemicals Site Specific Plan (SSP) and as appropriate the Start Clean Stay Clean Management Plan (SCSCMP).	PNSO Aldrige/Moody	3QFY08/09	Formal Report	
	Corrective Action Validation (EMSD Procedures)	PNSO-Aldridge	FY08	Formal Report	

## Appendix A - Graphic Representation of APP Goals, Objectives and Measures





## Appendix B - Detailed Listing of Goals, Objectives, and Measures

### **Objective: 1.0 - Ensure Sound ES&H and Security**

#### **Goal: [1 - Improve Contract and Contract Management](#)**

#### **Objective Owner: Joe Escamillo**

**Objective Description:** This objective will be measured as an index. The following three areas will be measured: 1) Environment, Safety and Health performance, 2) Security performance, and 3) quarterly trending of ES&H and Security performance. Each of these three areas will be supported by sub-metrics as shown in the following table:

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<b>1.1 Environment, Safety and Health</b>			<b>Index</b>		<b>50%</b>
1.1.1 ES&H Event Metrics	Provide an overall ES&H status to inform senior management and take action as required				75%
<i>1.1.1.1 PNNL Total Recordable Case (TRC) 12-month rate</i>	<i>Measures the number of recordable cases per 200,000 hours worked</i>	<i>Monthly</i>	<i>PNNL ESH&amp;Q Metric</i>	<i>0.65</i>	<i>25%</i>
<i>1.1.1.2 PNNL Days Away, Restricted, or Transferred (DART) 12-month rate</i>	<i>Measures the number of cases which resulted in days away, restricted, or transferred per 200,000 hours worked</i>	<i>Monthly</i>	<i>PNNL ESH&amp;Q Metric</i>	<i>0.25</i>	<i>25%</i>
<i>1.1.1.3 Composite ORPS rate based on severity (SC1 or E=3.0, SCR=2.0, SC2=1.0, SC3=0.5, SC4=0.25)</i>	<i>Provides trending information based on the number and severity of ORPS reportable events</i>	<i>Quarterly</i>	<i>PNNL ONE Metric</i>	<i>&lt;2.75</i>	<i>25%</i>
<i>1.1.1.4 Environmental Events (5-2400 all event tracking)</i>	<i>Tracks pre-cursor events to determine any negative trends</i>	<i>Monthly</i>	<i>Index</i>	<i>&lt;10</i>	<i>25%</i>
1.1.2 Timeliness of notifications	Provides information from both reportable and non-reportable data streams		Index		25%
<i>1.1.2.1 375-2400 Call Notifications</i>	<i>Provides trending information on the timeliness of calls made to the PNNL single point of contact</i>	<i>Quarterly</i>	<i>PNNL ONE Metric</i>	<i>80%&lt;1hr</i>	<i>50%</i>

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<i>1.1.2.2 ORPS notifications</i>	<i>Measures timeliness of reporting decisions for OPRS events. Indicator of internal communication effectiveness</i>	<i>Quarterly</i>	<i>FR collects</i>	<i>100% meets DOE O 231 reporting requirements</i>	<i>50%</i>
<b>1.2 Security</b>			<b>Index</b>		<b>25%</b>
1.2.1 Security Incident Trending based on severity (IMI I = 3, IMI II = 1, IMI III = .5, and IMI IV = .25)	Measures incidents of security concerns that occur on a quarterly basis	Quarterly	IMI Tracking	<2.75	75%
1.2.2 Implement Corrective Actions	Measures the effective implementation of corrective actions in a timely manner				25%
<i>1.2.2.1 Internal Assessments</i>	<i>Supports 1.2.2</i>	<i>Quarterly</i>	<i>ATS</i>	<i>100%</i>	<i>34%</i>
<i>1.2.2.2 SAS Periodic Surveys</i>	<i>Supports 1.2.2</i>	<i>Quarterly</i>	<i>SSIMS</i>	<i>100%</i>	<i>33%</i>
<i>1.2.2.3 OA / External Reviews</i>	<i>Supports 1.2.2</i>	<i>Quarterly</i>	<i>ATS / SSIMS</i>	<i>100%</i>	<i>33%</i>
<b>1.3 Quarterly trending of ES&amp;H and Security events by category</b>	<b>Analyzes the various contractor data streams to identify trends for senior mgmt</b>	<b>Quarterly</b>	<b>PNNL ONE Metrics and external data</b>	<b>Document results of quarterly</b>	<b>25%</b>

**Objective: 2.0 - Ensure Fiscal Responsibility**

**Goal: 1 - Improve Contract and Contract Management**

**Objective Owner:** Neomi Mendez

**Objective Description:** This objective was developed to monitor the contractor's financial performance in several key areas such as audit performance, contract compliance, cost control, and corrective actions. This objective will be tracked by the following measures:

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<b>2.1 Audits (M. Angulo)</b>					<b>10%</b>
2.1.1 Number of audits issued (IG/GAO/DCAA/Internal/ORO)	Demonstrate knowledge of audit activity	Monthly	Internal	90% of the 30 audits will be issued	10%
2.1.2 Percentage of audits issued that have findings (IG/GAO/DCAA/Internal/ORO)	Track PNNL audit performance	Monthly	Internal	25.0% or less of issued audits have findings	80%
2.1.3 Number of audits that remain open over 120 days from date of issue	Ensure timely audit closeouts	Monthly	Internal	75% of the audits issued will be closed within 120 days	10%
<b>2.2 Compliance with Financial Management Contractual Requirements (N. Mendez / L. Vickerman)</b>					<b>40%</b>
2.2.1 Track instances of notable contract violations related to financial management system (e.g. control points, anticipatory, funds management, etc.)	Ensure contractor is complying with contract	Monthly	Internal	0 instances of noncomplia nce	75%
2.2.2 Track instances of notable A-123 material deficiencies	Ensure contractor is complying with A- 123	Monthly	PNNL Financial Reports	2 instances of notable material deficiencies per year	25%
<b>2.3 Funds Management (L. Vickerman / N. Mendez)</b>					<b>25%</b>
2.3.1 1830 Total Obligations vs. Projected Total Budget Authority by Program	Ensure funds control and funds management	Monthly	DOE Financial Reports	> 95% at fiscal year- end	30%

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
2.3.2 1830 Total Costs vs. Total Obligations	Manage uncosted %	Monthly	DOE Financial Reports	> 80 % at fiscal year-end	40%
2.3.3 Ratio of 1831 Costs vs. 1830 Total Costs	Ensure proper balance between 1831 and 1830	Monthly	DOE & PNNL Financial Reports	≥ 11.0%	15%
2.3.4 PNNL Total Cost per FTE (1830 year-to-date cost divided by 1830 year-to-date FTEs burned)	Ensure contractor is controlling total costs	Monthly	DOE & PNNL Financial Reports	≤ \$150.0K per FTE	15%
<b>2.4 Overhead Management (N. Mendez / L. Vickerman)</b>					<b>15%</b>
2.4.1 Core Composite Rate (CCR)	Ensure contractor is controlling indirect costs. The CCR is a hypothetical “single overhead rate” for PNNL. Calculated by dividing Total 1830 Overheads by 1830 Value Added Base.	Monthly	PNNL Financial Reports	≤ 56.0%	25%
2.4.2 Core Composite Rate adjusted to include third-party costs	Ensure contractor is controlling indirect costs	Monthly	PNNL Financial Reports	≤ 33.0%	25%
2.4.3 PNNL Direct FTEs vs. PNNL Total FTEs	Ensure contractor is controlling indirect costs	Monthly	PNNL Financial Reports	≥ 52.0%	25%
2.4.4 PNNL Overhead Variance Distribution	Ensure PNNL is properly managing overhead variance	Monthly	PNNL Financial Reports	Anticipated variance distribution in September (fiscal year-end) is less than \$5M	25%
<b>2.5 Qualitative Assessment of BPIP Progress (N. Mendez / L. Vickerman)</b>	<b>Ensure BPIP progress</b>	<b>Monthly</b>	<b>PNNL Financial Reports</b>	<b>ATS actions are completed within 80% of planned completion dates = 12/12</b>	<b>10%</b>

**Objective: 3.0 - Ensure an Accurate, Complete and Functioning Contract**

**Goal: [1 - Improve Contract and Contract Management](#)**

**Objective Owner: Ryan Kilbury**

**Objective Description:** This objective will be measured as an index comprised of three primary areas of measurement: 1) Contracting Office and Staff Review of contract driven documents or processes that are the responsibility of PNSO staff to review, maintain and update as part of contract management and the responsibility of the contracting office to communicate with staff; 2) The currency and relevance of contract clauses, directives, orders, laws and requirements during a one-year period of contract performance and communication of those contract changes to PNSO staff and 3) Ensure that the contractor's acquisition management system is performing.

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<b>3.1 Contract Management</b>					<b>70%</b>
3.1.1 Contract Management Plan (CMP) Understanding (R. Kilbury)	Ensure PNSO staff understand CMP. Frequency of Review of the CMP, Incorporation of Updates and Communication to Staff	Semi- Annually	Manually tracked	Perform Semi- Annual Reviews on or before following dates:  <i>04/13/2007</i> <i>09/28/2007</i>  All four quarterly information messages to staff issued on or before following dates:  <i>12/28/2006</i> <i>03/30/2007</i> <i>06/28/2007</i> <i>09/28/2007</i>	10%
3.1.2 PNSO Performance against the Integrated Evaluation Plan (C. Swafford-Bennett)	Monitor/track level of assessment activities that support contractor oversight as indicated by the sub-measures.	Monthly	Index	Quality and Timeliness of Reports	65%
<i>3.1.2.1 Operational Awareness</i>	<i>Perform Operational Awareness Activities (Mgt. Sys./Program Areas/Surveillances)</i>	<i>Monthly</i>	<i>Reports from PNSO Capture Tool</i>	<i>Quality and Timeliness of Reports</i>	25%

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
3.1.2.2 <i>Contract Evaluation</i>	<i>Evaluation of Contractor Performance</i>	Monthly	Reports from PNSO Capture Tool	Quality and Timeliness of Reports	25%
3.1.2.3 <i>Assessments</i>	<i>Perform Assessments of Facilities Operations and Programs</i>	Monthly	Reports from PNSO Capture Tool	Quality and Timeliness of Reports	25%
3.1.2.4 <i>Self-Assessments</i>	<i>Perform Self-Assessments</i>	Monthly	Reports from PNSO Capture Tool	Quality and Timeliness of Reports	25%
3.1.3 Performance Evaluation Plan (Quality input from staff) and Quality of Internal Communications/Training on new PEMP – Detailed Plan on PEMP Development (R. Kilbury/T. Davis)	Quality and timeliness of staff input to the PEMP. Communication of PEMP objectives and info to staff through email and info on the share drive. Build PEMP assistance tool for the share drive.	Quarterly	Manually tracked	Qualitative assessment of quality of input and quarterly information messages to staff on process	25%
<b>3.2 Contract Changes – R. Kilbury</b>					<b>20%</b>
3.2.1 Requirements Review and Approval Process (R. Kilbury)	Qualitative assessment of communications between staff and Contracting Office in making requirements changes and the timeliness in implementing those changes into the contract	Quarterly	Manually tracked	Qualitative assessment of communications between staff and Contracting Office in making requirements changes and the timeliness in implementing those changes into the contract	90%
3.2.2 Communication of Contractual Changes (R. Kilbury)	Reporting to PNSO staff via quarterly email notice from Contracting Office to PNSO staff on all contractual changes that have taken place during previous quarter	Quarterly	Manually tracked	All four quarterly email notices issued on or before the following dates:  12/28/2006 03/30/2007 06/28/2007 09/28/2007	10%

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<b>3.3 Contractor Performance (R. Kilbury)</b>					<b>10%</b>
3.3.1 Assessment of Contractor Acquisition Management System (R. Kilbury)	Provides a status of the contractor's acquisition management system and its health. Review of Contractor Acquisition Management System through Balanced Scorecard Reporting	Quarterly	Manually tracked	Qualitative assessment of contractor's acquisition management system	100%

**Objective: 4.0 - Quality of Science Recognized Externally****Goal: [2 - Increase PNNL National Value](#)****Objective Owner: Julie Turner**

**Objective Description:** This objective was developed to assess how PNNL's quality of science is perceived externally in order to ensure that PNNL is recognized as "Gold Standard" national asset within the DOE lab community and scientific community as a whole. This objective will be tracked by the following measures:

Measure/POC	Purpose/Description	Frequency	Data Collection Method	Target	Weight %
<b>4.1 Publications (J. Day)</b>			<b>Index</b>		<b>30%</b>
4.1.1 Ratio of Publications to S&E Staff (S&E II to VI plus Battelle Fellows)	Track recognition	Quarterly	Based on 1552 S&E Staff and a goal of 976 peer reviewed publications	0.63	15%
4.1.2 Total Top-10 Ranked Journal Articles	Track recognition	Quarterly	Essential Science Indicators (ESI)	≥ 333	30%
4.1.3 The number of 'hot' papers: 'Hot' papers are recognized very soon after publication, reflected by rapid and significant numbers of citations. These papers are often key papers in their fields.	Track recognition	Quarterly	'Hot' papers as defined and tracked by Essential Science Indicators (ESI)	≥ 4	15%
4.1.4 The number of 'highly cited' papers as defined in Essential Science Indicators (ESI)	Track recognition	Quarterly	The 'highly cited' papers as defined and tracked by Essential Science Indicators (ESI)	≥ 171	30%
<b>4.2 Awards and recognition received by PNNL staff (M. Talbot)</b>	<b>Track recognition</b>	<b>Quarterly</b>	<b>From the contractor</b>		<b>25%</b>
<b>4.3 Percent of filed patent applications converted to patents (D. Moody)</b>	<b>Ensure innovation</b>	<b>Quarterly</b>	<b>From the contractor</b>	<b>Track to determine baseline</b>	<b>25%</b>
4.3.1 Number of patents applications filed		Quarterly	From the contractor	≥ 65	60%
4.3.2 Number of patents issued		Quarterly	From the contractor	≥ 50	40%
<b>4.4 Number of Unhappy Customers (J. Turner)</b>	<b>Ensure quality customer service</b>	<b>Monthly</b>	<b>Site office tracking</b>	<b>0</b>	<b>20%</b>



**Objective: 5.0 - Capability Stewardship**

**Goal: 2 - Increase PNNL National Value**

**Objective Owners: Dave Biancosino / Russ Warren**

**Objective Description:** This objective was developed to mitigate the risk of not having the capabilities required to carry out the PNNL missions as defined by DOE. These capabilities are defined in terms of what makes up a capability (facilities, equipment, people), the utilization of [EMSL](#) as a user facility and a look at the project mix that utilizes these capabilities. Stewardship of a capability includes the growth, stability, or divestiture of those components that contribute to a capability constantly keeping the current and future missions of PNNL in mind.

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<b>5.1 Space (D. Biancosino)</b>				<b>100.0% Schedule Completion</b>	<b>40%</b>
5.1.1 Lab Area	Monitor laboratory space. Square footage broken out by DOE, Leased, and BMI. Total and % of total.	Quarterly	PNNL Reports	Trend	25%
5.1.2 Physical Science Facility (PSF) Progress (R. Warren)	Monitor status against schedule by milestone completion (% complete)	Monthly	Internal Reports	100.0%	25%
5.1.3 Alternative Financed Facilities Progress	Monitor status against schedule	Monthly	Internal Reports	100.0%	25%
5.1.4 Space Acquisitions	Monitor status against schedule by milestone completion (% complete)	Quarterly	PNNL Reports	100.0%	25%
<b>5.2 Infrastructure Costs (D. Biancosino)</b>	<b>Costs Associated with Utility, Maintenance, Sitewide Assessment, other</b>			<b>Trend</b>	<b>15%</b>
5.2.1 PNNL Site	Monitor overall costs	Monthly	PNNL Reports	Trend	34%
5.2.2 Battelle	Monitor overall costs	Monthly	PNNL Reports	Trend	33%
5.2.3 Hanford (300 Area)	Monitor overall costs	Monthly	PNNL Reports	Trend	33%

Measure/POC	Purpose/ Description	Frequency	Data Collection Method	Target	Weight
<b>5.3 Equipment (D. Moody)</b>	<b>Monitor Acquisition Value &amp; Number of Units</b>			<b>Trend</b>	<b>15%</b>
5.3.1 SC	Monitor Acquisition Value & Number of Units	Monthly	PNNL Reports	Increase	25%
5.3.2 EM	Monitor Acquisition Value & Number of Units	Monthly	PNNL Reports	Decrease	25%
5.3.3 Other Federal Agencies	Monitor Acquisition Value & Number of Units	Monthly	PNNL Reports	Stay	25%
5.3.4 BMI	Monitor Acquisition Value & Number of Units	Monthly	PNNL Reports	Stay	25%
<b>5.4 People (M. Fletcher)</b>					<b>10%</b>
5.4.1 S&T Headcount	Track PNNL Headcount by Capability	Monthly	PNNL Reports	Based on FY05 Actuals	50%
5.4.2 Non-S&T Headcount	Track PNNL Headcount by Capability	Monthly	PNNL Reports	Based on FY05 Actuals	50%
<b>5.5 EMSL (J. Day)</b>					<b>15%</b>
5.5.1 EMSL Operating Hours	Monitor EMSL utilization. Operating hours are an OMB- tracked metric for user facilities.	Quarterly	PNNL Reports	≥ 98.0% of a possible 4,365 hours per year	50%
5.5.2 Number of EMSL Users	Monitor EMSL utilization	Quarterly	PNNL Reports	≥ 750 users (reported in the BER budget request)	50%
<b>5.6 Business Demographics (L. Vickerman)</b>					<b>5%</b>
5.6.1 Distribution of Projects by Funding Amount	Monitor/track size of lab projects	Monthly	PNNL Financial Reports	Based on FY05 Actuals	45%
5.6.2 Distribution of Projects by Funding Source	Monitor/track who lab is doing work for	Monthly	PNNL Financial Reports	Based on FY05 Actuals	45%
5.6.3 Distribution of Projects by End Date	Monitor/track longevity of lab projects	Monthly	PNNL Financial Reports	Based on FY05 Actuals	10%

**Objective: 6.0 - “Do Right” by PNSO Staff**

**Goal: 3 - Achieve the Vision and Intent of One SC Goals**

**Objective Owner: Melanie Fletcher**

**Objective Description:** This objective was developed to ensure that: staff are provided an opportunity to provide input to influence their work environment; top quality staff are retained; a positive work environment is maintained; and accomplishment of Site Office goals will help PNSO achieve its vision of being a benchmark Site Office. This objective will be tracked by the following measures:

Measure/POC	Purpose / Description	Frequency	Data Collection Method	Target	Weight
<b>6.1 Gallup Q12 Survey (M. Talbot)</b>	<b>Receive staff feedback, gauge morale, address areas for improvement</b>	<b>Annually</b>			<b>30%</b>
6.1.1 Develop an Action Plan to respond to the two most important areas of need identified by PNSO staff in FY06 Q12 Survey	Address areas for improvement	Annually	Confirm Plan implemented and provide monthly report on implementation status	Develop Action Plan from FY06 Q12 Survey by 11/30/06	34%
6.1.2 Complete Action Plan from FY06 Q12 Survey	Address areas for improvement	Annually	Confirm Plan completed	Complete Action Plan from FY06 Q12 Survey by 9/30/07	33%
6.1.3 Perform FY07 Q12 Survey	Receive staff feedback, gauge morale. Will feed next Action Plan under 6.1.1.	Annually	Confirm Survey Completed	Complete FY07 Q12 Survey by 3/31/07	33%
<b>6.2 Site Office Manager One-on-Ones with PNSO Staff (M. Fletcher)</b>	<b>Engage staff, receive staff feedback, gauge morale, address areas for improvement</b>	<b>Quarterly</b>	<b>Manually tracked for P. Kruger by T. Davisson</b>	<b>Complete one-on-ones with 25% of staff each quarter of FY07</b>	<b>30%</b>
<b>6.3 Human Capital (M. Fletcher)</b>		<b>Annually</b>			<b>40%</b>
6.3.1 Training Tracking Plan Implemented	Training supported and encouraged for PNSO staff	Annually	Manual confirmation	Initial Plan developed by 12/31/06	50%
6.3.2 Succession Planning	Assess personnel needs based on Lab growth	Annually	Manual confirmation	Update Plan by 11/30/06	50%

**Objective: 7.0 - PNSO Viewed as Credible and Competent**

**Goal: [3 - Achieve Vision and Intent of OneSC Goals](#)**

**Objective Owner:** Cesar Collantes

**Objective Description:** This objective was developed to ensure that PNSO consistently demonstrates high-quality customer service through timely and accurate responses. This objective will be tracked by the following measures:

Measure/POC	Purpose / Description	Frequency	Data Collection Method	Target	Weight
<b>7.1 Performance Feedback (C. Collantes/T. Davis)</b>					<b>80%</b>
7.1.1 Relationship with key HQ / SC management members and SC On-Site Review (C. Collantes)	Maintain positive relationships and credibility	Quarterly	*Collect Feedback from PNSO management	Qualitative Assessment - No major areas of improvement identified and positive feedback received	50%
7.1.2 Status against PNSO Manager's Appraisal Expectations (T. Davis)	Delivery against Manager's appraisal provides assurance that PNSO as a whole is also meeting expectations	Quarterly	Review of expectations with PNSO management and staff	Qualitative Assessment - On schedule with all expectations	50%
<b>7.2 Responsiveness to HQ (C. Collantes)</b>					<b>20%</b>
7.2.1 Responsiveness to HQ requests (C. Collantes)	Meet HQ timely expectations	Quarterly	Analysis Report	Qualitative Assessment based on Analysis Report	100%

## Appendix C - Crosswalk to President's Management Agenda, DOE Challenges, One SC Implementation, and DOE/SC Strategic Plans

**Table #1**  
**PNSO Goals/Objectives that Respond to the President's Management Agenda**

<b>President's Management Agenda</b>	<b>PNSO GOALS/OBJECTIVES/MEASURES</b>
#1 Strategic Management of Human Capital	<a href="#">PNSO Goal 3</a> <a href="#">Objective 6</a>
#2 Competitive Sourcing	<a href="#">PNSO Goal 3</a> <a href="#">Objective 6</a>
#3 Improved Financial Performance	<a href="#">PNSO Goal 1</a> <a href="#">Objective 2</a>
#4 Expanded Electronic Government	<a href="#">PNSO Goal 3</a> <a href="#">Objective 6</a>
#5 Budget and Performance Integration	<a href="#">PNSO Goal 1</a> <a href="#">Objective 2</a>

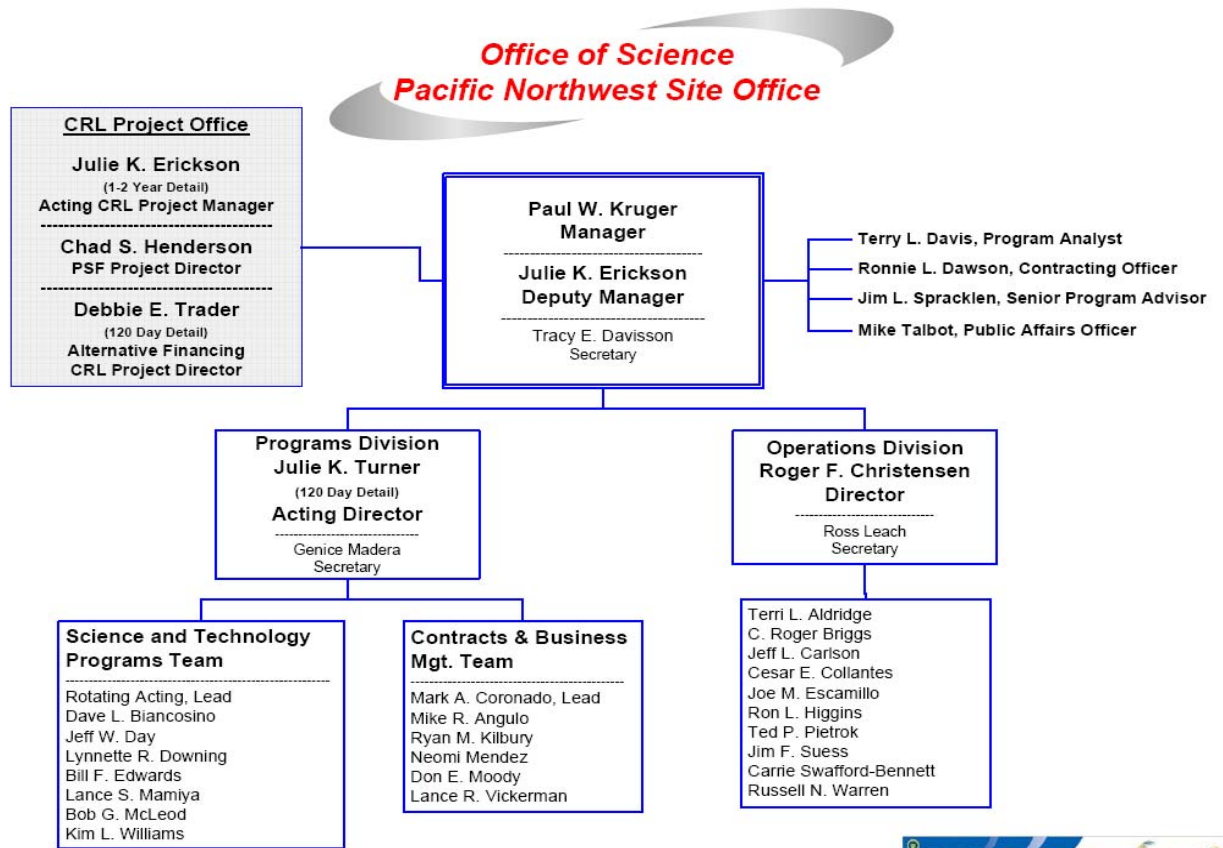
**Table #2**  
**PNSO Goals/Objectives that Respond to Current DOE Management Challenges**

<b>DOE Management Challenges</b>	<b>PNSO GOALS/OBJECTIVES/MEASURES</b>
#1 Safety	<a href="#">PNSO Goal 1</a> <a href="#">Objective 1</a>
#2 Security	<a href="#">PNSO Goal 1</a> <a href="#">Objective 1</a>
#3 IT Management and Cyber Security	<a href="#">PNSO Goal 1</a> <a href="#">Objective 1</a>
#4 Project Management	<a href="#">PNSO Goal 2</a> <a href="#">Objective 5</a>
#5 Contract Competition	<a href="#">PNSO Goal 1</a> <a href="#">Objective 3</a>

**Table #3 PNSO Goals/Objectives that Respond to SC Initiatives**

<b>SC Initiatives</b>	<b>PNSO GOALS/OBJECTIVES/MEASURES</b>
#1 ES&H	<a href="#">PNSO Goal 1</a> <a href="#">Objective 1</a>
#2 Sense of the Laboratory	PNSO Goal 1-3 Objectives 1 - 7
#3 OneSC Restructuring and Re-engineering	<a href="#">PNSO Goal 3</a> <a href="#">Objective 7</a>

## Appendix D - PNSO Org Chart



## **Appendix E - Improvement Initiatives**

Improvement Initiatives (formerly known as “Management Challenges”) are those key areas where unacceptable levels of risk or performance issues have a high potential to adversely impact organizational goals. Based on outcomes from PNSO’s performance management process, as well as results of external assessments, PNSO has identified Improvement Initiatives that require focused improvement actions to be resolved. While the planned improvement actions (i.e., “stretch goals”) are aggressive and will be difficult to achieve, they will have significant payoffs in the long-term achievement of organizational goals.

For each of these Improvement Initiatives, PNSO has identified aggressive improvement actions and assigned a specific staff member to track the outputs and improvement action progress throughout the year. The resulting impacts to the respective organizational goal will be evaluated and reported to management. The specific focus on these key challenges should allow PNSO to reduce and mitigate risk in these areas and lead to more effective and efficient operation of the [Laboratory](#).

### ***II 1. Preserve Laboratory Capability***

Over the next few years, PNNL faces a critical challenge to provide the infrastructure necessary for successful execution of the PNNL mission and strategic plan. Approximately 90% of the facility space currently occupied by PNNL is scheduled for demolition as part of the Hanford Site clean-up, is owned or leased by the contractor. The exception is the SC national user facility, Environmental Molecular Sciences Laboratory ([EMSL](#)). The majority of the leased space does not include the traditional reassignment clause; however 29% of the leased space does include the clause. PNNL activities currently occupy approximately 2 million square feet; 10% SC (EMSL), 40% EM Hanford Site, 25% Battelle Memorial Institute (BMI) owned and 25% leased.

Since its inception in 1965, PNNL has utilized innovative methods to provide research infrastructure. The original competitive bid process established a “consolidated laboratory” concept comprised of excess Hanford defense production facilities, and private facilities constructed/leased by the contractor. This approach included the ability for the contractor to conduct both private and federal research within the PNNL infrastructure.

The Hanford Site environmental restoration commitments have established the need to vacate the Hanford Site facilities being used by PNNL for multi-program research by October 1, 2009. The facilities on average are 45-years-old and were designed/constructed to serve a different function than needed for the current research projects. The Capability Replacement Laboratory (CRL) Project was initiated in 2001 to evaluate options and acquire replacement space for the mission critical

programs. The progress to establish replacement space has slipped, resulting in schedule conflicts between the CRL Project and restoration commitments.

The recent decision to compete the PNNL contract, which expires in September 2007, creates a unique challenge in determining how to disposition the Federal research being conducted in the BMI facilities. DOE does not have authority to make the BMI owned or leased facilities available for contract competition, and the existing Federal infrastructure is not sufficient to meet the facility space requirements.

Actions necessary to ensure this project is successful are:

1. Alternative Financed Facility Approval	2/28/2007
2. Physical Sciences Facility CD - 2	5/31/2007
3. Add reassignment clause to all Battelle Leases	6/30/2007
4. Issue a Request for Proposal (RFP) for PNNL M&O	TBD
5. Award new PNNL contract	9/30/2007

## ***II 2. Reininvigorate Integrated Systems Management***

In concert with the [OneSC Restructuring Project](#), which is designed to meet the [President's Management Agenda](#) (PMA) objective to manage government programs more economically and effectively, PNSO will pursue the following activities aimed at integrated systems oversight and management. Effective completion of these activities should result in improved performance as measured primarily through PNSO [Objective 7.0 "PNSO Viewed as Credible and Competent"](#), but should ultimately improve federal performance for all PNSO performance objectives.

1. PNSO will identify the framework and necessary components that support integrated systems management within the site office.	11/30/2006
2. PNSO will identify the necessary processes, procedures, and tools that support each of these components and perform a gap analysis against existing documentation.	2/28/2007
3. PNSO will develop a description for each identified component.	7/31/2007
6. PNSO will review and update the PNSO Management System Description (PNSO-GUID-02).	9/30/2007
7. PNSO will develop an electronic tool to facilitate the efficient management and use of the PNSO Management System components.	9/30/2007

## ***II 3. Improve Financial Management***

This improvement initiative is intended to focus on the implementation



and performance of PNNL's financial management ([Objective 2](#)). Several external audit findings (Labor Accounting System, Indirect Cost and Other Direct Cost System, and overstated labor rates) and other instances of non-compliance identified through operational awareness have led us to the conclusion that significant improvement is needed in the financial management system. As a result of concerns that were raised by PNSO, ORO, DCAA, and the IG, Battelle has implemented the Business Process Improvement Plan (BPIP). This plan identifies the root causes of the observed compliance failures, ensures that the financial management system is moving towards a robust financial system and properly dispositions all contractual requirements, and that corrective actions are developed for all known compliance issues. ORO and PNSO are actively participating on a steering committee and monitoring BPIP activities. There are also lessons learned regarding the need for PNSO to formalize communication with the contractor regarding concerns, and to more closely track the progress and completion of corrective actions.

1. Validate Contractor's BPIP, and track results against the project plan	TBD based on project schedule
2. Request PNNL to provide an action plan addressing all internal control weaknesses identified in audit reports	11/01/2006
3. Verify that the corrective actions are responsive to the audit findings and internal control weaknesses are appropriately addressed.	04/01/2007

#### ***II 4. Implement Human Capital***

In accordance with the [President's Management Agenda](#) and the Human Capital initiatives associated therein, PNSO will engage in the following activities related to Implementing Human Capital. Resolution of these issues and completion of the related activities should result in PNSO being in a more favorable position to address future management challenges related to Human Capital.

1. Review current PNSO policies and/or processes related to Implementation of Human Capital.	09/30/2006
2. Gap analysis of PNSO policies – what areas are not covered that should be included (consider utilizing Oak Ridge policies as appropriate).	12/31/2006
3. Develop PNSO policies and procedures for Implementation of Human Capital, as necessary, per the results of the gap analysis.	3/31/2007
4. PNSO will incorporate Human Capital-related policies/procedures into the PNSO management system.	6/30/2007

## **Appendix F - Pacific Northwest National Laboratory**

The [Pacific Northwest National Laboratory](#) performs basic and applied research to deliver energy, environmental, and national security for our Nation.

The laboratory vision is that PNNL will be recognized worldwide and valued regionally...for our leadership in rapidly translating discoveries into solutions for challenges in energy, national security, and the environment...by integrating the chemical, physical, and biological sciences.

The PNNL, located primarily in Richland, Washington is an approximately \$700 million programmatic research operation employing approximately 4,000 scientists, engineers, researchers, and support staff and occupies approximately two million square feet of office and laboratory space.

As a multi-program national laboratory, the PNNL's research and development missions and programs support the overarching national security mission of the DOE through efforts in fundamental science, energy and environmental sciences and technologies, and national security. The Laboratory provides highly skilled staff that supports multi-disciplinary efforts to rapidly translate scientific discoveries into applications in physical, computational, and environmental sciences. PNNL also operates a national user facility, the Environmental Molecular Sciences Laboratory ([EMSL](#)). The Laboratory supports the President's commitment to sustain and nurture the nation's science and technology enterprise, to support national goals in security, energy, environmental quality, human health and economic growth, and to provide a significant resource for scientists worldwide to engage with Laboratory staff in accelerating the nation's progress towards these goals.

PNNL is unique within the DOE system in that it combines a DOE national laboratory and a privately owned R&D laboratory in a single complex ("Consolidated Laboratory"). Under the Consolidated Laboratory concept, work conducted under the prime contract can be performed in both government-owned/leased and Contractor-owned/leased facilities. In addition, a special clause (H-1 "Use of Facilities for Contractor's Own Account") allows the Contractor to utilize designated facilities and other Government-owned property in its custody to conduct research and development activities for its own account, to the extent and in accordance with such terms and conditions as DOE and the Contractor may agree to from time to time as set forth in [Use Permit](#) No. DE-GM05-00RL01831, dated June 2004, while fully compensating the government for such use.

### **PNNL Contract**

The [PNNL contract](#) is a cost-plus award-fee, performance-based Management and Operating (M&O) contract, subject to the appropriate provisions of the FAR and DEAR. The prime contractor for the Management and Operations of the Laboratory is Battelle Memorial Institute ([Battelle](#)). The contract to manage and operate the Laboratory was extended in August of 2003 through September 30, 2007. The total contract value is estimated at \$2,500,000,000.00 over the five year term of the contract. As the M&O Contractor, Battelle is responsible for the management of Laboratory programs/projects,

maintaining and enhancing the facility, equipment, and business infrastructure, and “marketing” Laboratory capabilities to meet current and future government science and technology needs.

## **Appendix G - PNSO's OneSC Mission and Function Statement**

### **PACIFIC NORTHWEST SITE OFFICE**

#### **OFFICE OF SCIENCE**

##### MISSION

The Pacific Northwest Site Office (PNSO) manages the Department of Energy (DOE) performance-based management and operating contract for the safe, secure, effective, and efficient operation of the Pacific Northwest National Laboratory (PNNL). PNSO supports the Office of Science (SC) mission to foster, formulate, and support forefront basic and applied research programs which advance the science and technology foundations necessary to accomplish DOE missions.

##### ORGANIZATIONAL RELATIONSHIPS

PNSO is a SC line management organization that reports to the SC Chief Operating Officer. Within SC, the Headquarters (HQ) organization establishes policy and direction while Field organizations implement that policy and direction. The Site Offices are responsible and accountable for the management of an assigned laboratory contract and oversight of the operational and management performance of the assigned laboratory contractor. PNSO has been assigned the PNNL contract. PNNL is a government-owned, contractor-operated facility with a site and facilities in Washington and is one of ten world-class, contractor-operated laboratories under the management of SC. Direct technical and administrative assistance to PNSO comes from the SC Chicago Office and the SC Oak Ridge Office.

##### FUNCTIONS

PNSO is responsible for performing a set of functions that assure the Site Office mission is successfully achieved. To effectively perform these functions, PNSO develops and maintains a "Sense of the Laboratory", including a general knowledge of the Laboratory science and technology programs and specific knowledge of Laboratory operations, performance, and conditions. Site Office functions have been categorized by the roles assigned to the Site Offices. These roles are contract management, program and project implementation, Federal stewardship, and internal operations.

**Contract Management** – provides effective leadership and maximizes the effective working relationship between DOE and the contractor; manages and administers the contract by setting and communicating expectations, integrating DOE requirements, authorizing work, and providing timely feedback to the contractor.

1. Establishes effective working relationships with DOE-HQ, DOE Field Organizations, and with the contractor. Serves as the single point of Federal accountability for the contract.
2. Determines the applicability of policy, administrative, operational, and programmatic requirements from all sources and integrates these into a single set of requirements. Formally communicates these requirements to the contractor and enforces contract requirements.
3. Authorizes the Laboratory to perform work. Reviews and approves contract deliverables that result from approved work.
4. Provides formal direction and guidance to the contractor. Develops and includes performance measures and other expectations in the Laboratory contract to measure contractor success.
5. Conducts oversight of the Laboratory and assesses contractor performance. Provides timely feedback to the contractor on performance. Authorizes payments and fee.
6. Reviews and approves contractor business and administrative systems consistent with contract requirements.
7. Periodically reviews the Laboratory contract; negotiates changes and modifies the Laboratory contract, as required.
8. Obtains approval from the Head of Contracting Activity for contractual items not delegated to the Site Office.

**Program and Project Implementation** – monitors overall contractor operations, reviews and approves work, and coordinates activities related to assigned programs and projects.

9. Conducts program management/implementation/oversight as delegated by program sponsors. This includes determining applicability of DOE policies and direction for assigned work and performing oversight and operational awareness reviews, as required.
10. Reviews and authorizes work to the contractor through formal processes (such as the Laboratory Directed Research and Development, Project Directives, Technical Work Plans, etc.).
11. Serves as the Federal Project Director for assigned projects.
12. Maximizes the effective working relationship between the contractor and DOE in executing programs. Serves as the point-of-contact for integrating the needs of SC and other non-SC sponsors.

13. Facilitates the execution of programs by resolving DOE and/or other stakeholder issues. This includes conducting negotiations with other Federal agencies, as appropriate, related to Work for Others Agreements, Technology Transfer (including Cooperative Research and Development Agreements), Interdepartmental Work Orders, and other agreements.

14. Participates in reviews, evaluations, and inspections of the contractor in programmatic and operational areas to ensure the adequacy of the contractor's management and administrative systems to manage the program work. This includes the areas of Environment, Safety, and Health; Safeguards and Security; and Project Management Systems. Coordinates DOE and external reviews, evaluations, and inspections of the Laboratory.

15. Participates in the planning and establishment of overall SC expectations and directions, and provides feedback. Provides input and responds to the Annual Field Budget Call and other special requests, as required.

16. Seeks approval for activities where authority does not reside within the Site Office.

17. Develops and maintains a working relationship with the sponsoring research program offices, such as the SC Associate Director level or Assistant Secretary level, to ensure integration of Laboratory science programs with operations.

**Federal Stewardship** – maintains and protects Federal assets at the site or assigned to the Site Office.

18. Reviews and assesses the Laboratory support activities and stewardship needs against the contract requirements and takes action, as necessary.

19. Develops and maintains an effective working relationship and communication with DOE-HQ, other DOE organizations, elected officials, Federal, State and local agencies, and as appropriate other key stakeholders, such as the national and international science community. Develops and maintains effective community stakeholder and media relations programs.

20. Coordinates with DOE-HQ and other potential stakeholders to determine the optimal allocation of resources to meet stewardship needs.

21. Provides feedback to SC and other HQ Program sponsors on the HQ funding, planning, and direction that impact the Laboratory site or infrastructure.

22. Serves as the owner for transactions affecting the government's rights in Federal assets, such as transfers of interest and execution of permits. Serves as the Federal steward and ensures the protection and maintenance of Federal assets located at the Laboratory.

**Internal Site Office Operations** – manages Site Office resources and business systems to ensure that the Site Office successfully achieves its mission.

23. Manages Site Office resources. Determines Site Office needs (staffing, travel, training, and awards) and requests appropriate resources.

24. Identifies, develops, and maintains appropriate tools and techniques to ensure that the Site Office can successfully accomplish its assigned mission.

25. Works with the Chicago Office and the Oak Ridge Office to obtain required PNSO technical and administrative support. Provides PNSO resources when needed and available to support the rest of the SC organization.

26. Conducts self-assessments of PNSO management, organization, and operations. Revises internal PNSO management structure, organization, and operations, as appropriate.

27. Participates, as requested, in the planning and establishment of overall SC expectations and direction and provides feedback.

9 September 2004

## Product Approval Form

### 1. Product Type:

☐ Crosscutting Process/Procedures ☐ Program Description ☐ Management System Description

☒ Other (describe): ANNUAL PERFORMANCE PLAN

### 2. Product Title:

Fiscal Year 2007 PNSO Annual Performance Plan

### 3. Brief explanation and justification:

Per SC direction and guidance, Site Offices prepare APPs in order to "communicate performance expectations and assess performance, while establishing a clear basis of self-assessment and continuous improvement". SC guidance is available in the document system as well as on the shared area. FY07 guidance was more prescriptive than previous guidance.

Note: Explain purpose of new product, revision, or cancellation.

### 4. Request submitted by:

Lance Vickerman

Name (Print)

Lance Vickerman  
Signature

Date

9/7/06

**5. Requirement Document:** Does a requirement (or requirements) drive this product? If so, please specify (e.g., legal requirement, R2A2, SC requirement, etc.)

Yes X Please Specify SC requirement No

### 6. Actions identified for product implementation:

X "awareness" or briefing approach (classroom training, staff meetings, one-on-one, computer-based self study)

\_\_\_\_\_ revisions to other processes and procedures, program descriptions, or other products.

\_\_\_\_\_ other, explain: \_\_\_\_\_

### 7. Representative User Concurrence:

Ted Pietrok

Name (Print)

Ted Pietrok  
Signature

Date

9/7/06

Note: A representative user's concurrence is not necessary for minor revisions or cancellations.

### 8. Division Director Concurrence:

Roger Christensen

Name (Print)

RF Christensen  
Signature

Date

9/11/06

Julie Turner

Name (Print)

Julie K. Turner  
Signature

Date

9-11-06

Note: Concurrence is required by any Division Director who will be subject to requirements contained in the product:

### 9. PNSO Manager Approval:

Paul Kruger

Name (Print)

Paul Kruger  
Signature

Date

9/11/06

Note: Signature approves this product for deployment on the PNSO web site.